

Gorta- Self Help Africa Audit Finance & Risk Committee

Terms of Reference

1. Constitution

The Board will establish a committee of the Board to be known as the Audit Finance & Risk Committee (the Committee). The Committee will act as the responsible committee for all members of the Gorta – Self Help Africa (GSHA) group of companies.

2. Purpose

The Board of GSHA has ultimate responsibility for the audit, finance, risk, governance and operations of the organisation. This Committee is a formal sub-committee of the Board, with delegated responsibilities for audit, finance, risk, governance and operations as per the list of duties below. In particular the Committee has oversight responsibility for Finance/Accounting, Organisational Development/HR, Enterprise/Business and Legal.

3. Membership

The Committee shall be appointed by the Board of GSHA. The Committee shall consist of not less than four members. A quorum shall be three members. The Chairperson of the Board may not be a member of the Committee.

The chairperson of the Committee shall be appointed by the Board and must be a member of the main GSHA Board. If a situation arises that the Chairperson is incapacitated and cannot attend, the Chairperson will nominate another committee member to chair the meeting.

The Committee should have representation from the boards of each of the GSHA group companies and all members should be members of GSHA.

The Committee may co-opt independent members with relevant skills from outside of the boards of the GSHA companies. Any changes to the membership of the Committee are subject to the approval of the GSHA board.

4. Secretary

The secretary of the Board of GSHA shall be the secretary of the Committee.

5. Attendance at meetings

No one other than the Committee members will be entitled to attend the Committee meetings.

The chairperson, chief executive, relevant staff of GSHA, internal auditors, a representative of the external auditor, or other persons shall attend meetings at the invitation of the Committee. It will be normal practice that at least one member of the executive to attend Committee meetings in addition to the secretary to provide support and information to the Committee on the various agenda items.

There should be at least one meeting per year, or part thereof, where the Committee meets the external auditors without the executive of GSHA being present.

6. Frequency of meetings

Meetings will be held not less than four times per year and may be held by teleconference.

External auditors or internal auditors may request a meeting with the Committee if they consider that one is necessary.

7. Notice of Meetings

Meetings will be arranged annually in advance. Meetings will be scheduled in advance of Board meetings to facilitate reporting to the Board. Date of next meeting will be confirmed at each meeting.

8. Corporate Governance Duties

The Board delegates its oversight authority to the Committee. The Committee is accountable to the Board and must report to it.

9. Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference and to have full access to information and the resources which it needs to do so.
- Seek any information or documents that it requires from any employee of GSHA and all employees are directed to cooperate with any request made by the Committee.

- Obtain outside legal or independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this is necessary.

10. Duties

The duties of the Committee shall be:

- To review internal control and reporting systems across the group and to communicate with the Boards in relation to any significant shortfalls in the internal control and/or risk management environments that come to the attention of and are of concern to the Committee.
- To review GSHA's management accounts and financial reports, ensuring appropriate KPIs are being used to monitor the performance of the business.
- To review GSHA's annual budget and recommend to the Board for approval.
- To ensure that there is an ongoing formal risk assessment process in place in the companies, and that risk management and risk avoidance arrangements are established.
- To review the risk management and avoidance arrangements on a regular basis e.g. review of risk register.
- To approve the annual internal audit plan and monitor implementation of the plan throughout the year.
- To review the significant findings and recommendations of the internal auditors and to monitor the action taken by management to resolve any issues that have been identified and to request special reports from internal auditors as considered appropriate.
- To monitor the external auditor's effectiveness, objectivity and independence and manage the audit tender process on a periodic basis.
- To meet with the external auditors for the purpose of reviewing the draft annual statutory accounts and management letter and to recommend the accounts to the boards for approval with comments as appropriate.
- To review the governance/legal arrangements of the organisation, ensuring it supports the achievement of the organisations strategy.

- From an organisational development/HR point of view, to ensure the organisation is fit for purpose for the strategy being pursued/developed.
- To ensure that the new skills that will be required to compete over the lifespan of the strategy are being identified. That there is bench strength at each level of the organisation. That talent management, retention and succession planning are in place.
- To conduct an annual remuneration review of the senior management team and make recommendations to the Board.

11. Reporting

The secretary shall circulate the minutes of meetings of the Committee to all members of the Board, and the Chairperson of the Committee shall, as a minimum, attend the Board meeting at which the statutory accounts are approved.

A report from the chairperson of the Committee to the Board will be included as an agenda item for the GSHA Board Meeting following the Committee meeting. An annual report will also be presented to the Board from the chair of the Committee. The chairperson may delegate reporting responsibilities to another member of the Committee as appropriate or necessary.

The Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

12. Confidentiality

Pursuant to their fiduciary duties of loyalty and care, Directors/Committee members are required to protect and hold confidential all non-public information obtained due to their directorship/committee membership position absent the express or implied permission of the Board of Directors to disclose such information. (See full confidentiality policy)

13. Renewal of Terms of Reference

The Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

14. Other Matters

The Committee is obliged to raise with the Board any matter of concern it may have.

APPENDIX – AFRC PROCEDURES

INTRODUCTION

The scope of this document is to provide a framework and guidelines for the successful operation and conduct of the work of the GSHA Audit Finance & Risk Committee (the Committee). The procedures are informed by the Board approved Committee Terms of Reference. It is to be noted that these are only guidelines and do not constitute part of an Act or legally binding regulation.

VOTING AND DECISION MAKING

For the most effective and successful operation of the Committee, arriving at decisions by consensus is the preferred approach. Otherwise, where a decision is required, majority will rule and members can have their dissent noted in the meeting minutes.

AGENDA

For every meeting, members will receive a copy of the proposed agenda which will be compiled by the Secretary and approved by the Chairperson. A member of the Committee that wishes to have an item included on the agenda should forward same to the Secretary prior to the meeting. Urgent matters may be raised by any member with the permission of the Chairperson under Any Other Business.

MINUTES

Draft minutes of the proceedings of a meeting of the Committee shall be drawn up by the Secretary and signed by the Chairperson, after acceptance and appropriate amendments, at the next meeting in which the minutes are presented.

COMMITTEE PAPERS

A full set of meeting documentation will accompany the agenda and will be distributed a minimum of seven days before the meeting. Members can express their preference for electronic or hardcopy documentation.

DISCLOSURE OF INTEREST

In the interests of good Governance, it is required that members express any actual or perceived conflicts of interest with items coming under the agenda. They can then absent themselves from the relevant part of the meeting.

CONDUCT AND BEHAVIOUR AT MEETINGS

General guidelines on meeting conduct include the following:

- All members wishing to contribute will be given reasonable opportunity to do so
- Time spent on issues should be proportionate to the importance and relevance of the issue
- Only matters that relate to the mandate, role and responsibility of the Committee will be discussed
- Professional conduct is expected at all times.
- All actions to be agreed through the Chair

STANDING AGENDA ITEMS

Introduction: Calling meeting to order, welcome, apologies and disclosure of interests

Item 1: Minutes from previous meeting

Item 2: Matters Arising

Item 3: Reports/Updates (CEO, CFOO, Board)

Item 4: Review of Financial Reports, incl. Enterprise/Business reporting

Item 5: Organisational Development/HR

Item 6: Legal/Governance Update

Item 5: Internal Audit

Item 6: Risk Management

Item 7: Any Other Business

Item 8: Date of next meeting and close